

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE OF PAGES

1 3

2. AMENDMENT/MODIFICATION NO.

0001

3. EFFECTIVE DATE

Dec 11 2002

4. REQUISITION/PURCHASE REQ. NO.

5. PROJECT NO. (If applicable)

6. ISSUED BY

CODE

SP0400

7. ADMINISTERED BY (If other than Item 6)

CODE

Defense Supply Center Richmond
DSCR-KDA/Virginia Willcox
8000 Jefferson Davis Hwy.
Richmond VA 23297-5000
(804)279-4025 e-mail: Virginia.Willcox@dscr.dla.mil

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

(X)

9A. AMENDMENT OF SOLICITATION NO.

SP0430-03-R-0468

X

9B. DATED (SEE ITEM 11)

October 25, 2002

10A. MODIFICATION OF CONTRACT/ORDER NO.

10B. DATED (SEE ITEM 13)

CODE

FACILITY CODE

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☒ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers

is extended,



is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning ONE copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT:

Contractor



is not,



is required to sign this document and return

copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The closing date for this solicitation is extended to January 15, 2003, 2:00 PM EST.

See the attached pages for additional changes made by this amendment.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

15B. CONTRACTOR/OFFEROR

15C. DATE SIGNED

16B. UNITED STATES OF AMERICA

16C. DATE SIGNED

BY

(Signature of person authorized to sign)

(Signature of Contracting Officer)

NSN 7540-01-152-9070

PerFORM (DLA)

STANDARD FORM 30 (REV. 10-83)

PREVIOUS EDITION UNUSABLE

Prescribed by GSA
FAR (48 CFR) 53.243

The pre-proposal conference for Solicitation SP0430-03-R-0468 was held November 13, 2002, at Defense Supply Center Richmond. The Attendees list and meeting notes are provided as attachments to this amendment. The terms and conditions of the solicitation are changed as follows.

The most significant change is that the Contractor Performance Times (CPTs) have been decreased to one (1) calendar day for priority delivery orders and three (3) calendar days for routine delivery orders. Statement of Work Table 3.3.1 is revised to cite "3" and "1" in the "Days to Ship" columns of the final row ("Effective 366th day after award"). Likewise, Clause 52.211-9G50, Ordering Office and Time of Delivery (code F16), is revised to cite "1 or 3 days" for FOB origin DVD delivery. The clause reference to FOB destination delivery is deleted.

Because the shortened CPTs may cause an increase in the Service Fee, the Government reserves the right to change the ship to locations to DLA stock locations in lieu of DVD. If this change is made, the minimum delivery order (DO) quantities will be the quantities identified in the Schedule of Supplies column headed "Min DO Stock" and delivery will be a lead-time away. As part of your offer, the lead time for each item offered should be identified in the Schedule of Supplies column headed "Stock LT". Note that the offered lead times will be compared to historical lead times and may be subject to negotiation. Note also that different packaging and marking requirements may apply to shipments to stock. Refer to Section D of the solicitation and the MIL STD 2073 packaging requirements cited in the Access database providing the item descriptions.

Only a single supplies price should be offered for each NSN. If the DVD minimum DO quantity of 1 unit would result in a higher price than the stock minimum delivery order quantity, the amount by which the DVD price is higher than the stock price should be included in the Service Fee rather than the supplies price. The supplies price offered should include all costs to make the item and prepare it for shipment, including a reasonable profit, as there will be no service fee on DOs for stock.

If either the offers received or the business case analysis indicates that shipments to stock result in the best value to the Government, appropriate changes to the Statement of Work and the Performance Based Fill Rate Plan will be negotiated prior to any contract award.

DLA stock locations are listed on DSCR form P-41, found here:
<http://www.dscr.dla.mil/procurement/mastersolicitation/section3.doc>

The Schedule of Supplies incorporated by reference on page 2 of the solicitation is replaced by the Schedule of Supplies dated December 2, 2002.

The fourth paragraph on page 2 is revised to clarify that the Government's objective is to make a single award covering the maximum number of NSNs possible but that offers for less than the total number of NSNs included in the Schedule of Supplies will be considered. Likewise, if you are unable to meet the required CPTs for DVD shipments, your offer may be predicated upon delivery to stock only but should be clearly identified as such. Price and other evaluation factors being equal, preference will be given to offers for greater numbers of items, and for DVD over stock.

The fifth paragraph on page 2 is revised to state that firm pricing for the first year of the three-year base period should be submitted. Pricing for the second and third years of the base period will be determined by application of Clause 52.216-9G40, Economic Price Adjustment. The index used for adjustment is unchanged but suggestions for alternate indices will be considered and finalized during discussions.

The table on page 4, listing the items requiring First Article Testing, is replaced by the following table. The CLIN numbers have been corrected to correspond with those listed in the Schedule of Supplies.

CLIN	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
0255	3	4010-00-202-2425	30	*	DSCR-JEQ	TBD	4010-00-202-2425	30
0305	2	4010-00-263-4283	30	*	DSCR-JEQ	TBD	4010-00-263-4283	30
0422	2	4010-00-443-4845	30	*	DSCR-JEQ	TBD	4010-00-443-4845	30
0495	1	4010-00-551-8805	30	*	DSCR-JEQ	TBD	4010-00-551-8805	30
1305	2	4010-01-301-0203	30	*	DSCR-JEQ	TBD	4010-01-301-0203	30
1308	2	4010-01-301-3088	30	*	DSCR-JEQ	TBD	4010-01-301-3088	30
1326	3	4010-01-309-7439	30	*	DSCR-JEQ	TBD	4010-01-309-7439	30

Pricing for First Article Testing should be included in the Schedule of Supplies as a separate price.

The reference to Clause 52.216-19, Order Limitations, is changed to indicate that the minimum delivery order quantity is one (1) if the delivery order is for DVD. If delivery orders are issued for stock, the minimum delivery order quantity will be the quantity specified in the "Min DO Stock" column of the Schedule of Supplies. The maximum delivery order value will be \$25,000 for DVD or \$100,000 for stock. DOs are still expected to be issued through POPS so it is not anticipated that a single DO will contain multiple CLINs for supplies so paragraph (b)(2) is not applicable. If you have any limitation on the number or value of DOs that can be accepted within a given period, this information should be included in your offer.

The following clauses/provisions are added:

52.232-16 Alt. I	Progress Payments - Alt I
252.232-7004	DoD Progress Payment Rates
252.242-7004	Material Management and Accounting System
52.232-13	Notice of Progress Payments

In the event that split awards are made, progress payments will apply to only those contracts with an estimated yearly value in excess of \$100,000.

The following attachments are included as part of the amendment:

Pre-proposal Conference Minutes	Attachment 1
Pre-proposal Conference Slides	Attachment 2
Pre-Proposal Conference Attendees	Attachment 3
Surge and Sustainment Information and Examples	Attachment 4

An objection was raised concerning the guaranteed minimum, that 25% of the estimated annual demand for the base period was not high enough to justify the cost of stocking material. Any such objections should be addressed in offers submitted - if 25% is unacceptably low, state what would be acceptable. Exceptions will not automatically be accepted but this is a negotiable issue.

The solicitation requirement that a single price be offered for the three-year base period was discussed. The consensus was that this would result in higher prices as contingencies would be added to protect against price fluctuations. It was suggested that only the first year of the base period be priced and that the Economic Price Adjustment Clause included in the solicitation be used to determine the prices for the second and third years of the base period. It was clarified that, if the change was made, that the adjustment would be no more often than yearly and would not be retroactive. This change has been made, as stated in the first paragraph of the third page of this amendment.

It was suggested that composite factor be used for the price adjustment in lieu of a single index. The composite would better take into account the changes in raw materials. Any specific suggestions will be considered.

Questions were asked regarding how the service fee and the supplies prices would be evaluated. Some costs could be reasonably be included in the service fee or the supplies price. Concern was expressed that offeror's decision of where to include costs could prejudice the evaluation of the offer. At the meeting, it was stated that how the costs are categorized would be at the offeror's discretion. All prices will be evaluated, service and supplies, with neither receiving a higher weight. Because of changes in the procurement subsequent to the meeting, instructions for developing the service fee are included in this amendment, refer to page 2.

Regarding the supplies pricing, it was asked if the high demand/high dollar value items could be priced individually with a pricing formula to be applied to the lower demand/ lower dollar value items. No such formula will be developed and applied to all offerors. Individual offerors may develop their pricing using such a formula at their discretion.

The business case analysis will compare the cost to our customer under the current logistics arrangements to the cost of supplies provided under the proposed contract. Our surcharge decreases when logistics functions are assumed by the contractor.

In reference to clause 52.216-19, Order Limitations, it was asked why page 4 of the RFP indicated that paragraphs (b)(2) and (b)(3) do not apply. Paragraph (b)(2) does not apply because POPS delivery orders contain a single line item for supplies per order so there will be no orders with combinations of supplies. In reference to paragraph (b)(3), if an offeror needs to place a limit on the number or value of orders it can accept within a specified period, the limitation must be stated in the offer. Note that changes have been made to the clause for possible stock shipments. See page 3 of the amendment.

There was a brief discussion of UMMIPS and expectation that CPT may be shortened. The discussion is superseded by the e-mail message of November 20, 2002, regarding the direction received for DLA headquarters that DVD times be reduced to one and three calendar days, refer to page 2 of the amendment.

There was a lengthy discussion of current technical requirements for the supplies and historical problems with these items.

In the past, we have had significant problems with unauthorized substitution of foreign or counterfeit supplies, wire rope in particular. This is the primary reason the solicitation is a source selection and that offerors are required to identify their sources. As a reminder, the solicitation is set-aside 100% for small business, which means that any supplies provided under any resulting contract(s) must be the domestic product of a small business. Foreign supplies or the products of large businesses will not be acceptable. An effort has been made to ensure that small business manufacturing sources exist for all items in the grouping but if any items are found to be available from only a large or foreign source, notify the buyer, Virginia Willcox, so that the items can be investigated. If no small manufacturing source can be found, the item will be deleted.

Many of the items have Qualified Products List (QPL) requirements. For items that specify the QPL in requirement in the Access database, the Schedule of Supplies includes a space for the QPL number to be identified. It was pointed out that not all items incorporating QPL components had the requirement specified in the item description. Many assemblies require QPL wire rope and the requirement is only identified in the data package for the item, not the procurement item description. Offerors must comply with any QPL requirement cited, whether in the data package or the item description.

In all instances, whether components are QPL restricted or not, the requirement that all supplies must be both the product of a small business and domestically produced must be met.

A concern was voiced that distributors' offers would not be acceptable for items requiring technical or quality certifications. Distributors' offers are acceptable provided that the manufacturer provides required documentation. This represents no change over current requirements.

An objection was raised concerning the inclusion of items requiring first article testing. The items will remain in the grouping. The testing should be priced separately in the Schedule of Supplies.

Use of a Value Added Network (VAN) is required for participation in POPS. Lists of VANs are found at <http://www.defenselink.mil/acq/ebusiness/policy/ebusiness/vans.htm> or <https://www.daas.dla.mil/daas-edl/edi/vanlist.htm>.

Concern was expressed that POPS tests could only be conducted once a contract was awarded. This is not correct. Dave Bliss, DSCR-KA, (see attendees list) can be contacted regarding POPS tests though any general questions should be submitted through the buyer.

Requirements for surge and sustainment plans and availability of warstopper funds were discussed. Written explanations and samples will be provided.

The following were discussed during the Summary/Question and Answer section:
Special packaging is required for overseas shipments. Can this be accommodated by applying an additive line item to delivery orders for overseas shipments? POPS is

unable to accommodate such an additive line or discriminate between CONUS and OCONUS requisitioners. All packaging and marking costs should be included in the supplies price offered for each NSN.

Can requisition histories be provided for each NSN? Prospective offerors were advised by e-mail on November 27, 2002, that the requisition histories had been compiled and were available upon request.

Are joint ventures acceptable? Yes, provided that the applicable size standard is met. Joint ventures are discussed in the FAR at 19.101. The pertinent sections are provided below:

(7) (i) *Definition of a joint venture for size determination purposes.* A joint venture for size determination purposes is an association of persons or concerns with interests in any degree or proportion by way of contract, express or implied, consorting to engage in and carry out a single specific business venture for joint profit, for which purpose they combine their efforts, property, money, skill, or knowledge, but not on a continuing or permanent basis for conducting business generally. A joint venture is viewed as a business entity in determining power to control its management.

(B) For other than bundled requirements, apply size standards for the requirement to individual persons or concerns, not to the combined assets, of the joint venture, if-

(2) An employee-based size standard applies to the requirement and the estimated contract value, including options, exceeds \$10 million.

(v) *Size determination for teaming arrangements.* For size determination purposes, apply the size standard tests in paragraphs (7)(i)(A) and (B) of this section when a teaming arrangement of two or more business concerns submits an offer, as appropriate.

What happens to items held in stock if an item becomes obsolete? Items will be used if possible, otherwise a reasonable settlement may be negotiated.

Can items (additional NSNs) be added? Refer to Statement of Work section 1.1.1. Replacements for obsolete items and replacements resulting from safety, design or other modifications to items covered under the contract may be added. Any other additions must be competed under the same terms and conditions as the current grouping.

Mention was made of the planned FSC change to 1640. The change is pending and will involve many but not all of the items in the grouping. The FSC change will not change the items themselves, only the NSN by which we identify them. The items involved will be identified at a later date.

The decision to issue the extension to December 31, 2002, was a response to a specific request. Following discussion at the conference, it was agreed that the closing would be extended to January 15, 2003. The extension was confirmed by e-mail on November 13, 2002.

**Aircraft Control Cables
Proposal Conference**

Defense Supply Center Richmond
November 13, 2002

SP0430-03-R-0468 1

Overview

Solicitation Objectives
Contract Terms
Performance Metrics
Item Descriptions
Electronic Systems
Source Selection
Logistics & Sustainment
Summary, Updates, Q&A

SP0430-03-R-0468 2

Solicitation Objectives

Single contract for the maximum number of the NSNs included in the solicitation.

Contractor to provide worldwide Direct Air Support (DAS) support.

Contractor services will include – packaging, receipt, storage, and shipping of items.

SP0430-03-R-0468 3

Contract Terms

Definite Quantity Contract with 3 year base period and option periods for a total of ten years.

Items priced for base period.

Economic Price Adjustment clause applies to option periods.

SP0430-03-R-0468 4

Contract Terms, continued

Contractor services to be paid as a percentage of supplies price on each order.

Performance metrics and variable service fee apply to on time delivery and timely resolution of backorders.

SP0430-03-R-0468 5

Performance Metrics

Contractor Performance Time (CPT) is currently two days for High Priority items, five days for Routine.

CPT is measured from the date the contractor receives the demand to the date the total qty is shipped.

Orders not made within required CPT will be considered backorders.

Backorders will be filled within 26 days.

SP0430-03-R-0468 6

Descriptions

Item numbered – item to be supplied described only by manufacturer's name and part number. Must supply exact item.

Generic items – item is described by a military, Federal, or commercial specification. Qualified products list may apply.

SP0430-03-R-0468 7

Descriptions, continued

Following Items – item is described by technical data package available in DSCR's data repository. These are the data packages provided on the following pages.

SP0430-03-R-0468 8

Electronic Systems

POS – Paperless Order Placement System. The system through which all supply orders will be placed.

ELIS – Enterprise Linked Logistics Information System. Web based EDI centric performance tracking and measurement system.

SP0430-03-R-0468 9

Source Selection

Source selection is the procedure used to determine which contractor receives an award.

Evaluation Factors

- Best Performance
- Material Management Plans
- Price
- Source Plans

SP0430-03-R-0468 10

Performance Sub-Factors

- Long term product reliability
- Substantially similar past performance
- Corporate experience
- Small Business Mentoring Program (minor factor)

SP0430-03-R-0468 11

Material Management Plans

- Communications with suppliers
- System of forecasting
- Management and correction of technical problems
- Management structure showing methods to be used to control the contractor's operation

SP0430-03-R-0468 12

...e & Sustainment

... will require the Contractor to meet
... eased quantity & accelerated delivery
... requirements in support of a broad
... spectrum of DOD contingencies.

... NSNs & quantities are identified in
... Schedule of Supplies with deliveries
... broken down into 30 day increments.
... plan must be submitted with offer.

SP0430-03-R-0468 13

...mary

... citation Objectives
... Contract Terms
... Performance Metrics
... n Descriptions
... lectronic Systems
... rce Selection
... ge & Sustainment

SP0430-03-R-0468 14

...ate and O&A

... citation closing date will be
... ended to December 31, 2002.
... estions?

SP0430-03-R-0468 15

Pre-Proposal Conference, Solicitation SP0430-03-R-0468
Conference Attendees

Name	Company	Telephone	E-mail Address
Patsy Johnson	DSCR-KA	804-279-3114	Patsy.Johnson@dscr.dla.mil
Bob Chapman	Sierra	804-279-5026	Robert.Chapman@dscr.dla.mil
Dave Bliss	DSCR-KA	804-279-4482	Dave.Bliss@dscr.dla.mil
Patrick Nelson	ProcureNet	973-439-2870	patrick.nelson@procurenet.com
Mike McGovern	ProcureNet	973-439-2804	mike.mcGovern@procurenet.com
Mike Paterson	ASRC-FSSI	703-627-3376	mpaterson@gisjv.com
John McCann	ASRC Port Graham	703-627-3376	vz628ngy@verizon.net
Michael Wallace	Loos & Co.	860-928-7981	Mike@loosco.com
Judy Sayers	SBA/PCR	804-279-3690	Judy.Sayers@dscr.dla.mil
Robert Sebold	DSCR-G	804-279-4815	Robert.Sebold@dscr.dla.mil
Richard Rosanelli	DSCR-DU	804-279-6635	Richard.Rosanelli@dscr.dla.mil
Thomas Reid	United Terex	610-631-1800	Uniterex@aol.com
Richard J. Kisielowski	United Terex	610-631-1800	Uniterex@aol.com
Harold D. Houfek	Pendulum	850-234-2189	hhoufek@comcast.ncom
Ralph Bowdish	West Fla. Wire Rope	1-800-461-1230	wirerope@aol.com
Brenda T. Christian	DSCR-JEQ	804-279-3492	Brenda.Christian@dscr.dla.mil
Joie Coppedge	DSCR-JJB	804-279-3073	Joie.Coppedge@dscr.dla.mil
Paul Wind	DSCR-KA	804-279-4677	Paul.Wind@dscr.dla.mil
Virginia Willcox	DSCR-KDA	804-279-4025	Virginia.Willcox@dscr.dla.mil

Surge Information and Examples

Surge plans are basically a contractor's description of how they will meet both the quantity and schedule requirements for the surge items. The surge quantities are, above and beyond any other deliveries that may be required under the "non surge" portion of the contract. As part of the surge plan, the contractor can identify any "exceptional" steps that will be required in order to meet the schedule and quantities asked for. Contractors can request government funding to cover the cost of exceptional steps required to meet surge. If investments/government funds are required, they will come from a special pot of funds called War Stopper/IP dollars, which have limitations on how they can be used.

War Stopper/IP funding program is specifically encouraged to minimize paying for the purchase of end items to meet a surge requirement. The program can, however pay for the purchase and storage of raw materials and partially completed sub assemblies. For Distributors this may present a challenge, since most distributors can only meet the surge requirement through stocking complete items. Distributors can address surge by agreeing to stock adequate quantities to cover the surge items at no cost to the government. The cost of holding this inventory (excess inventory fee) can be tacked on to the surge price, payable only if surge items are ordered. In addition, Distributor can also request relief from the final year of the contract to allow them time to liquidate the surge stock.

If a contractor is not willing to assume the risk associated with stocking the surge items at their own cost, then it is recommended that they develop their surge plan to address the following for each surge NSN;

- Identify the current maximum accelerated production lead-time
- Maximum monthly production capacity
- Identify the long lead-time materials for these items
- Separate the NSNs into two groups -
 - a) Those where the surge requirement can be met within the contractor's current PLT and typical raw material availability
 - b) Those items that will require special provisions in order to meet the surge quantity and schedule requirements.
- For group b, identify what steps, (raw materials, sub-components etc) are needed in order for the contractor to meet the surge requirement.

The actual format for the surge plan is flexible, but essentially it must cover materials, personnel, equipment and manufacturing capacity or a statement that the contractor will maintain adequate inventories of completed end items at no cost to the government. This capability must be in place for the life of the contract unless the government agrees to relief from the surge requirement during the final year of the contract. Several samples of surge plans are attached, reflecting various approaches.

Sample Surge Plan (Internal Inventory)

Company ***** will maintain XX number of item XYZ on hand at all times to enable us to meet both the schedule and quantity requirements for surge demands. This capability will be in place XX number of days after contract award and will remain available during the life of the contract.

During the final year of the contract, Company ***** will use part or all of the stocked surge items to meet the final delivery requirements of the contract. The government is responsible for determining and acknowledging the last delivery order under this contract.

Signed xxxxxxxxxxxxxxxx

Sample Surge Plan (production capacity)

Company ***** has the personnel and equipment to produce the surge item(s), part number **xxxx-xxx** at a rate of **xxx** items per month. This rate can be achieved in **xx** of weeks after receipt of an order.

We maintain adequate materials on hand at all times or have rapid access (see note) to the needed materials, to allow us to response to both the schedule and quantity requirements for surge.

Signed xxxxxxxxxxxxxxxx

**** Note:** If access to materials is dependant on sub-tier suppliers, the source must be identified and a copy of the supply agreement provided as an attachment to the plan.

Sample Surge Plan (pre positioned materials)

Company ***** has the personnel and equipment to produce the surge item, part number xxxx-xxx at a rate of xxx items per month.

In order to meet both the schedule and quantity requirements for the surge portion of the solicitation, we will have to have the following material in place at our facility.

	<u>Item</u>	<u>Qty</u>	<u>Estimated Cost</u>
1.			
2.			
3.			

These materials would have to be purchased and stored at government cost. Our surge capability will not be available until xx days after contract award, this will allow us adequate time to acquire the materials

Signed xxxxxxxxxxxxxxxx